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NSC BRIEFING

CUBAN AGRARIAN REFORM LAW

- I. The Cuban cabinet on 17 May proclaimed its long expected agrarian reform law. The official publication of the law has reportedly been held up pending last minute changes, since the version unofficially released has been opposed by moderate cabinet members, including the minister of agriculture.
 - A. Such changes, however, will probably be minor, for wide publicity has already been given to the program.
- II. Important provisions of the long complicated law include:
 - A. Land in excess of 99 acres is subject to expropriation except when it is under intensive cultivation for sugar cane, or rice or used for cattle grazing. In these cases holdings can be exdepted up to 3,300 acres.
 - B. Within one year private corporations may not exploit cane fields unless their stock holdings are registered, and all their stockholders are Cuban and not connected in any way with sugar processing.
 - C. Owners of expropriated land are to be compensated by redeemable 20 year bonds at an annual interest not to exceed 4½ percent.
 - D. Farm areas are to be divided into "colonization zones," each forming cooperatives for agricultural machinery, storage facilities, transportation, schools, hospitals, and other social services.
 - E. Rural land can be owned only by Cubans, although exceptions up to 99 acres may be individually authorized by the Agrarian Reform

Institute for industrial or agricultural development. Land in-

herited by non-Cubans is to be subject to expropriation.

F. Peasant families are to receive 66 acres free, with an option to purchase an additional 99 acres.

III. Both Cubans and Americans with interests in Cuban agriculture generally fear Cuba lacks the technological and administrative skills to implement the program without serious disruption of the economy, although they believe some land reform is probably necessary.

IV. Regardless of the law's exact terms, the character of the actual reform and its effect will depend on the way the law is administered.

A. Fidel Castro has been named president of the National Agrarian Reform Institute which was established to implement the law and he has power to grant certain waivers.

B. Castro has selected as Executive Director Antonio Munoz Jimenez, apparently a confidant of pro-Communist military leader Che Guevara. Munoz himself has a long record of Communist associations and may even be a member of the Communist party.